

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6574**

**BILL NUMBER:** HB 1361

**NOTE PREPARED:** Jan 11, 2010

**BILL AMENDED:**

**SUBJECT:** Various Motor Vehicle Matters.

**FIRST AUTHOR:** Rep. GiaQuinta

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
☐ **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill:

- (1) transfers various responsibilities concerning vehicle dealers from the Bureau of Motor Vehicles (BMV) to the Secretary of State (SOS) and makes corresponding changes;
- (2) adds motorcycle dealer-new, motorcycle dealer-used, and transfer dealer to the categories for which dealer license plates may be issued;
- (3) authorizes the SOS or an agent or employee of the SOS to enter the premises of certain businesses dealing in salvage vehicles to determine compliance with laws concerning salvage motor vehicles. (Current law authorizes the BMV or an agent of the BMV to enter the premises.);
- (4) provides that the SOS or an agent of the SOS is immune from civil or criminal liability regarding laws concerning salvage motor vehicles;
- (5) requires certain persons to be licensed to buy or sell trailers;
- (6) makes it a Class B misdemeanor for a vehicle manufacturer or vehicle distributor to fail to compensate to a dealer the contracted labor rate for the work and services the dealer is required to perform in connection with the dealer's delivery and preparation obligations under any franchise or to fail to compensate to a dealer the contracted labor rate for labor and other expenses incurred by the dealer under the manufacturer's warranty agreements; and
- (7) repeals language concerning vehicle: (1) dealers; (2) sales; (3) salvaging; and (4) merchandising.

**Effective Date:** July 1, 2010.

**Explanation of State Expenditures:** (1 & 2) *Transfer of Responsibilities*- Transferring responsibilities (such as prescribing minimum standards to be met by a dealer, requiring inspection of certificates and titles, and authorizing the SOS or an agent of the SOS to enter premises) may increase the workload of the Dealer

Services Division, but should not require additional staff and/or funds. Currently, the division has 16 full-time employees, and 11 vacancies. The operating budget of the Dealer Services Division is approximately \$1.1 M for FY 2010.

(2) *Dealer Categories*- Expanding the list of eligible entities (motorcycle dealer-new, motorcycle dealer-used, and transfer dealer) to receive dealer plates will mean an additional 14,300 dealer plates to be issued by the SOS. This will be accomplished through the current distribution process. The SOS has issued, on average, about 632,000 plates of all types per year for CY 2008 and CY 2009.

**Explanation of State Revenues:** (5) *Licensing for Trailer Buyers and Sellers*- Requiring certain persons to be licensed to buy or sell trailers will mean additional revenue, the amount of which will depend upon the number of dealers. The annual fee is \$30 for the first location and \$10 for each location not immediately adjacent to it. The fund affected is the Motor Vehicle Odometer Fund which is distributed as follows:

Motor Vehicle Highway Account	40%
Secretary of State	30%
State Police	20%
Attorney General	10%

(6) *Penalty Provision*: If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class B misdemeanor is \$1,000. Criminal fines are deposited in the Common School Fund.

If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund. In addition, some or all of the document storage fee (\$2), automated record keeping fee (\$7), judicial salaries fee (\$18), public defense administration fee (\$3), court administration fee (\$5), judicial insurance adjustment fee (\$1), and the DNA sample processing fee (\$1) are deposited into the state General Fund.

**Explanation of Local Expenditures:** (6) *Penalty Provision*: A Class B misdemeanor is punishable by up to 180 days in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

**Explanation of Local Revenues:** (6) *Penalty Provision*: If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. In addition, several additional fees may be collected at the discretion of the judge and depending upon the particular type of criminal case.

**State Agencies Affected:** BMV; SOS.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:**

**Fiscal Analyst:** James Sperlik, 317-232-9866.